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# **New FAFSA Indicator Gives Students Upfront Earnings Transparency**

This week, the Department of Education rolled out a [new earnings indicator](#) on the Free Application for Federal Student Aid (FAFSA). Filling out the FAFSA is required for students seeking financial aid, and the form is often among the earliest tasks that families undertake in the college application process. Updated features will flag for prospective first-year undergraduates if institutions they list on the FAFSA have lower typical earnings—equipping them with useful information as they consider where to apply and enroll.

Within a few days of submitting the FAFSA, students and families can log into their StudentAid.gov account and access their [FAFSA Submission Summary](#), which includes the information they provided through the form and their estimated federal aid eligibility. Students are required to list at least one college, university, or trade school on the FAFSA, and can list up to 20 schools to which they have already applied or may apply.

Now, when students look at their FAFSA Submission Summary, an icon will alert them if any of their selected schools show lower earnings—meaning that graduates from those institutions don't typically earn more than someone with just a high school diploma. Clicking on the disclosure will take them to a page with more information, where they can examine a visual comparison of the median earnings of graduates at their selected schools four years after graduation in relation to the median earnings of high school graduates in the same state (or the national median, if most incoming students are from other states). The school earnings page presents these data in an easy-to-compare format, with green or red bars indicating earnings above or below the median.

Should students wish to remove a school from their FAFSA based on these insights, they are able to initiate a correction to their form directly from that page. Students who have not selected any lower earnings programs will not have a disclosure on their submission summary, but institution-level earnings data for all schools are publicly accessible in the [FSA Data Center](#).

Providing notice to students and families about institutions with lower typical earnings earlier in the application process can help drive clear decision-making and promote better outcomes. The timeliness of the earnings indicator is a key feature of this update, as [research on financial aid](#) has shown that financial uncertainty is a major barrier to enrollment and that students are highly responsive to just-in-time information. Students crave quick responses, and the FAFSA is the ideal vehicle for reaching them at the crucial moment in which they are deciding where to apply. Delivering the lower earnings disclosure only after the FAFSA has been submitted allows students to access helpful information to refine their school list or explore other options using the College Scorecard—without discouraging FAFSA completion.

These improvements to the FAFSA user experience also complement bipartisan efforts to enhance the availability of data on financial value in recent years. As Third Way has chronicled, interest in the use of post-college earnings measures to strengthen higher education transparency has been growing for nearly two decades, with legislative and regulatory proposals championed by both parties. This momentum aligns with the changes students want to see: students overwhelmingly cite increased earnings as their top reason for pursuing postsecondary education, yet over 80% of high schoolers are concerned about earning enough to support themselves and their families. Providing straightforward disclosures about options that do not reliably lead to income gains—and doing so early on—can assuage these anxieties and restore trust in postsecondary pathways.

To build on this progress, the Department should work to make the lower earnings disclosures available to returning students and students applying to graduate institutions in future cycles. Congress can also improve the quality of information available to students by passing popular bipartisan bills like the *College Transparency Act* to expand federal student data and the *Understanding the True Cost of College Act* to standardize financial aid offer letters.

Empowering students and families with better information supports a more effective and accountable higher education system—one that delivers stronger financial returns for students and safeguards taxpayer investment. With these latest transparency enhancements through the FAFSA, the Department of Education advances that goal, helping to ensure that students can make informed college choices that will lead to meaningful opportunity, improved outcomes, and greater value.

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